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SUBJECT: INCSR II -- URUGUAY

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¶1. Post submits the 2009-2010 INCSR II report. An e-mail copy with tracked changes was delivered by e-mail, per reftel instructions.

¶2. While the level of money laundering and related crimes is considered relatively low in Uruguay, the country's financial system remains vulnerable to this threat as well as terrorist financing risks associated with international sources that may be involved in Uruguay's cross-border financial operations. Officials from the Uruguayan police and judiciary assess that there is a growing presence of Mexican and Colombian cartels in the Southern Cone and fear they will begin operating in earnest in Uruguay. Drug dealers are slowly starting to participate in other illicit activities like car theft and trafficking in persons, according to the police. The Government of Uruguay (GOU) acknowledges that there is also a risk of money laundering in the real estate sector, in free zones and in bureaus that administer corporations and is working to develop new regulations soon to address these vulnerabilities.

¶3. In the past, Uruguay's strict bank secrecy laws, liberal currency exchange and capital mobility regulations, and overall economic stability made it a regional financial center (mainly for Argentine depositors) vulnerable to money laundering, though the extent and the nature of suspicious financial transactions have been unclear. In recent years, however, Uruguay has made significant efforts to expand the reach and strength of its anti-money laundering and counterterrorist financing (AML/CTF) regime, including by enacting several laws to criminalize money laundering and terrorist financing. The most recent law (Law 18.494, passed in June 2009) significantly upgrades Uruguay's anti-money laundering efforts by giving national authorities more flexibility to fight money laundering and terrorism financing. These recent developments have led to the investigation of 22 cases --10 of which started in 2009 at the influx of the new courts specialized on organized crime-- and the prosecution of 39 individuals. New legislation and enforcement efforts also resulted in the freezing of \$20 million in assets, the detection of \$2.5 million in undeclared cross-border cash and other financial instrument movements, and increases in suspicious activities reports and information requests about international financial activities.

¶4. The 2009 GAFISUD mutual evaluation of Uruguay showed a strong improvement over the 2006 evaluation. According to GAFISUD, Uruguay "fully complied" with 13 of FTAF's 40+9 recommendations, "mostly complied" with 23, "partially complied" with 11 and did

"not comply" with only 2. This is a strong improvement over 2006 when it "fully complied" with only 5, "mostly complied" with 13, "partially complied" with 12 and did "not comply" with 19. The evaluation did not take into account the developments of Law 18.494 passed in mid-2009, which according to GOU officials, address several of GAFISUD's concerns.

15. Uruguay's financial sector consists of: one government owned commercial bank (which has roughly half of total deposits and credits), one government owned mortgage bank, 12 foreign-owned banks, 6 offshore banks, 11 cooperatives of financial intermediation, 6 financial houses, 5 administrators of previous savings, 12 credit administrators, 85 exchange houses and 21 representative offices of foreign banks. The six offshore banks are subject to the same laws, regulations, and controls as local banks, with the GOU requiring them to be licensed through a formal process that includes a background investigation. Offshore trusts are not allowed. Bearer shares may not be used in banks and institutions under the authority of the Central Bank, and any share transactions must be authorized by the Central Bank. The financial private sector, most of which is foreign-owned, has developed self-regulatory measures against money laundering, such as the Codes of Conduct approved by the Association of Banks and the Chamber of Financial Entities (1997), the Association of Exchange Houses (2001), and the Securities Market (2002).

16. There are twelve free trade zones located throughout the country. While most are dedicated almost exclusively to warehousing, three host a wide variety of tenants performing a wide range of services, including financial services. Two free trade zones were created exclusively for the development of the paper and pulp industry. Some of the warehouse-style free trade zones have been used as transit points for containers of counterfeit goods bound for Brazil and Paraguay. There are nine casinos, eight of which are government owned, and 28 premises with slot machines (although media reports indicate a problem with businesses running unregistered slot machines). Four of the eight government-owned casinos are run by the state, and the other four by private sector concessions. Fiduciary companies called SAFIs (Anonymous Societies for Financial Investment) are also thought to be a convenient conduit for illegal money transactions. As of January 1, 2006, all SAFIs were required to provide the names of their directors to the Finance Ministry. In addition, the GOU implemented a comprehensive tax reform law in July 2007, which prohibited the establishment of new SAFIs as of that date. All existing SAFIs are to be eliminated by January 1, 2010. The tax reform law also implemented a personal income tax for the first time in Uruguay.

17. Uruguay achieved several notable actions against financial crime in 2008 and 2009. Parliament passed laws 18.362 and 18.390 in October 2008, which created two courts and two prosecutor's offices dedicated to prosecuting organized crime. These offices --which started working in January 1, 2009--, deal with money laundering, terrorism financing, banking fraud, tax fraud, counterfeiting, as well as drug trafficking, corruption, trafficking of weapons, child prostitution, among other crimes. Law 18.494, passed in June 2009, significantly upgraded Uruguay's anti-money laundering regime by incorporating new reporting agents and new preceding crimes, and including detailed provisions on the use of precautionary and seizure measures, as well as controlled delivery. Law 18.494 also incorporates and regulates the use of new investigation techniques --such as electronic surveillance, use of collaborators and undercover agents--, and creates a protection system for victims, witnesses and collaborators. Decrees 296/09 and 305/09 (from June 22, 2009 and October 26, 2009 respectively) created the first "Comprehensive Permanent National Plan Against Drug Trafficking and Money Laundering" that was designed by the Coordination Commission for Anti-Money Laundering and Terrorism Financing (this commission was created in October 2008). While not publicly available the Plan greatly focuses on improving the coordination among different institutions involved in anti-money laundering efforts.

¶8. Since 2005, 43 individuals have been prosecuted for money laundering; 40 were related to drugs and 3 to sexual exploitation. Uruguay's first arrest and prosecution for money laundering (under Law 17.835) occurred in October 2005 and resulted in the conviction of the offender. In another ongoing high-profile case, 14 people were indicted in September 2006 for a money laundering charge tied to the largest cocaine seizure in Uruguay at that time; in June 2008 the kingpin was convicted and in November 2009 five individuals, including a well know attorney, were prosecuted. This case significantly invigorated the GOU's efforts to fight money laundering and to push for increased reporting of suspicious activities. In the November 2009 prosecutions, the GOU applied the set of new investigative techniques (the use of collaborators and the improved electronic surveillance) provided by Law 18.494 for the first time. The use of new techniques has triggered a moderate public debate over the need to keep a balance between investigative requirements, respect for the privacy of individuals, and potential uncertainty in the practice of law. Other cases involving another large cocaine seizure and proceeds from trafficking in 2007 are also under investigation. There have been no reported cases or investigations related to terrorist financing.

¶9. Unlike in neighboring Argentina and Brazil, tax evasion is not an offense in Uruguay, which in practice limits cooperation possibilities because the local Financial Intelligence Unit's Financial Information and Analysis Unit (UIAF) cannot share tax-related information with its counterparts. Nevertheless, the UIAF is becoming increasingly active in cooperation with counterpart financial units and judiciaries from other countries. In 2009, the UIAF received 54 information requests from the Judiciary and 48 requests from other financial units abroad.

¶10. In Uruguay, money laundering is treated as an autonomous criminal offense, separate from the underlying crimes, which extends, under certain circumstances, to offenses committed in other countries. Money laundering is criminalized under Law 17.343 of 2001, Law 17.835 of 2004, and Law 18.494 of 2009. The courts have the power to seize and confiscate property, products or financial instruments linked to money laundering activities. Law 17.343 identifies money laundering predicate offenses to include narcotics trafficking; corruption; terrorism; smuggling (of items valued more than \$20,000); illegal trafficking in weapons, explosives and ammunition; trafficking in human organs, tissues, and medications; trafficking in human beings; extortion; kidnapping; bribery; trafficking in nuclear and toxic substances; and illegal trafficking in animals or antiques. Law 18.494 incorporates seven new predicate offenses: i) fraud; ii) embezzlement; iii) fraudulent bankruptcy; iv) fraudulent insolvency; v) offenses against trademarks and intellectual property rights; vi) offenses related to trafficking in persons and sexual exploitation (involving child prostitution and pornography or related to trafficking or sexual exploitation); and vii) counterfeiting or alteration of currency.

¶11. Four government bodies are responsible for coordinating GOU efforts to combat money laundering: (1) the UIAF, (2) the National Anti-Drug Secretariat, (3) the Coordination Commission for Anti-Money Laundering and Terrorism Financing, and (4) the National Internal Audit. Decree 245/007 (passed July 2007), transformed the Center for Training on Money Laundering (CECPLA) into the Coordination Commission for Anti-Money Laundering and Terrorism Financing. The Commission works under the National Anti-Drug Secretariat, which is the senior authority for anti-money laundering policy and is headed by the President's Deputy Chief of Staff. The Commission's board is composed of government entities involved in anti-money laundering efforts: the head of the UIAF and the Ministries of Education (via prosecutors), of the Interior (via the police force), Defense (via the Naval Prefecture), and Economy and Finance. The Director of the Commission serves as coordinator for all government entities involved and sets general policy guidelines. The Director defines and implements GOU policies, in coordination with the Finance Ministry and the UIAF. Decree 239/09 (passed May 2009) created the National AML Secretariat (National

Secretariat Against Laundering of Assets, or Secretaria Nacional Antilavado by its Spanish acronym) and tasked it with: i) coordinating the execution of AML/TF policies with other institutions; and ii) coordinating and executing AML/TF training programs for banks' staff, agents involved in AML/TF prevention and repression (e.g. judges, prosecutors and police officials). The decree incorporates the Secretary General into the AML Secretariat and delineates his functions. Among other duties, the Secretary General of the AML Secretariat is in charge of convoking the Coordination Commission for Anti-Money Laundering and Terrorism Financing, acting as National Coordinator before GAFISUD, and representing the GOU at OAS's CICAD.

¶12. The UIAF is responsible for supervising all financial institutions, and the National Internal Audit Office (AIN) is responsible for overseeing all nonfinancial institutions, such as casinos and real estate firms. The recent Central Bank's charter (passed by Law 18.401 in October 2008) placed the UIAF under the Central Bank's Superintendent of Financial Services, and tasked it with several new activities that enhance its abilities as a mechanism to stop money laundering. The UIAF is structured in three units: information and analysis, exchange houses, and money laundering control. GOU and private sector entities cannot refuse to provide information to the UIAF on the grounds of banking, professional or tax secrecy. Law 17.835 expands the realm of entities required to file Suspicious Activity Reports (SARs), making reporting of such suspicious financial activities a legal obligation, and conferring upon the UIAF the authority to request additional related information. Law 18.494 designates ten new types of individuals/enterprises required to report unusual or suspicious transactions and mandates SARs reporters to include information on suspicious intended transactions --even if they were not finally carried out-- and on those transactions that albeit licit are suspected of being related to individuals related to terrorism financing. Reports to the UIAF are confidential and secrecy can only be lifted per a criminal court order. Fines for failure to report range from 1,000 indexed units to 20,000,000 indexed units (equivalent to about \$100 to \$2,000,000 as of December 2009). The 2008 rendering of accounts (Law 18.362) granted the AIN additional

funding of about \$1 million for staffing needs, but the agency will need further funding to achieve its new While severely understaffed in the past, the UIAF achieved its goal in 2008 of establishing a staff of 19 people. In 2009, the UIAF consolidated its work and increased the number of inspections. Through initial funding from the Organization of American States (OAS), the UIAF is updating its hardware and software systems in order to receive SARs electronically, develop electronic early-alarm systems for SARs, and improve control and analysis of its lists.

¶13. During 2009, Treasury's Office of Technical Assistance (OTA) provided technical assistance on financial enforcement to the Central Bank and the Anti-Money Laundering Secretariat. An Information Technology Specialist visited the UIAF in October to assess its information systems with a view to enhancing the overall system by adding more robust analytical software and visualization tools. In mid-November an expert from OTA's Financial Enforcement Unit delivered a three-day training course to Financial Analysts. Sixteen out of the eighteen UIAF analysts participated in the training. In early November another team of instructors from OTA's Financial Enforcement Unit delivered Financial Investigative Techniques training to a select group of twenty-five professionals from diverse backgrounds. The group included some of the country's highest profile judges and prosecutors, along with officials from Uruguay's intelligence, customs and anti-drug agencies. The three programs were much appreciated and the heads of the UIAF and the Anti-Money Laundering Secretariat have requested OTA continued assistance with advanced editions of courses in 2010. The head of OTA's Financial Investigative Techniques team singled out Uruguay????s recently upgraded anti-money laundering legislation for special praise. In August 2009, the Embassy invited the Presidency's Chief of Staff and the heads of the Anti-Money Laundering and Anti-Drug Secretariats to a ten-day official trip to Washington and New York

where they met numerous Anti-Money Laundering officials. Both countries expressed their willingness to sign an agreement to split the value of assets seized in joint operations, but no progress has been made as of December 2009.

¶14. The UIAF has circulated to financial institutions the list of individuals and entities included in UN 1267 Sanctions Committee and published it on its web page. It also works with lists from the Department of Treasury's Office of Foreign Assets Control (OFAC) and the European Union and is exploring options to purchase commercial databases with global blacklists. While the UIAF does not transmit OFAC's list directly to its supervised institutions, anti-money laundering officials told Post the vast majority of local financial institutions are acquainted with OFAC's lists and use them actively from a best practices standpoint. The UIAF is also working on a Politically Exposed Persons (PEPs) list that will also be published on their website.

¶15. Law 17.835 from 2004 and Law 18.494 from 2009 significantly strengthened the GOU's anti-money laundering regime by including specific provisions related to the financing of terrorism and to the freezing of assets linked to terrorist organizations. Under Law 17.835, terrorist financing was a separate, autonomous offense that can be prosecuted from other terrorism-related crimes. Laws 17.835 and 18.494 suffer, however, from a narrow definition, which is limited to the financing of terrorists or terrorist organizations where specific terrorist acts have been committed or are being planned. As a result, the laws do not specifically cover the provision or collection of funds by known terrorists or terrorist organizations for purposes other than terrorist acts

¶16. Beyond criminalizing terrorist financing, Law 17.835 provided the courts with the power to seize and confiscate property, products or financial instruments linked to money laundering activities. Law 18.494 improved the seizure regime by listing the kind of property that can be seized while establishing the possibility of seizing assets of similar worth or imposing a fine when listed property cannot be seized. Under the new legislation, based on a prosecutor's request, courts can seize: prohibited narcotics and psychotropic substances confiscated in the process; property or instruments used in committing the criminal offense or the punishable preparatory activity; property and products considered proceeds of the criminal offense. Courts can also seize

property and products coming from the use of the proceeds of the criminal offense, including: property and products into which proceeds of the criminal offense have been converted or mixed and; income or other benefits derived from the property and products that are proceeds of the criminal offense. If such property cannot be seized the court can seize any other property of the convicted offender of an equivalent value. Seizure by "operation of the law" allows courts to seize assets in four cases: i) those assets belonging to fugitives against whom a warrant of arrest has been issued and have not appeared or been arrested in over six months; ii) assets that have been frozen and whose holders failed to prove their legal origin within a six months period; iii) undeclared assets in transit whose holders also failed to prove their legal origin within a six months period; and iv) proceeds of criminal offenses or connected criminal offenses that are discovered and not claimed within a period of six months.

¶17. Despite these powers, the way real estate is registered complicates efforts to track money laundering in this sector, especially in the partially foreign-owned tourist sector. The UIAF and other government agencies must obtain a judicial order to have access to the name of titleholders. The GOU is in the process of implementing a national computerized registry that will facilitate the UIAF's access to titleholders' names, is at an advanced stage of implementation. The UIAF is already using the loaded data for investigation purposes. In December 2009, the Ministry of

Agriculture signed an agreement with settlers to establish a joint production entity in a 6,000 acre farm that had been seized in 2007. In May 2008, the GOU signed a cooperation memorandum with the OAS to get assistance in developing a fund to administer seized assets for Uruguay, Argentina, and Chile. The GOU expects to launch the fund in the first half of 2009. A by-product of the program was a best practices document that was approved by CICAD in November 2009.

18. Law 18.494 enables criminal courts to adopt precautionary measures (under their own initiative or at the request of an interested party) at any stage of proceedings, including the preliminary hearing. Measures adopted during the preliminary hearing stage shall become void if GOU prosecutors do not request a trial within a two years term. Precautionary measures shall be adopted when considered indispensable to protect the State's right to have assets at its disposal once seized and provided that there is a danger of impairment or frustration of this right due to the delay of the proceedings. Law 18.494 improved the precautionary measures regime by exempting the GOU from depositing a bond to cover potential losses or damages (it would be however liable for damages if assets are not finally seized), and allowing courts to swiftly auction certain assets. The law provides that assets subject to precautionary measures that run the risk of perishing, deteriorating or depreciating, or whose adequate preservation would be overly costly, can be auctioned swiftly, and mandates the GOU to deposit the proceeds of the auction in indexed units (an unit designed to avoid deterioration of purchasing power caused by inflation) or other units that ensure the preservation of value.

19. The UIAF can instruct those institutions subject to the Central Bank's control to stop, for up to seventy-two hours, the execution of operations suspected of involving funds proceeding from criminal offenses. The decision must be communicated immediately to the competent criminal court that can determine to freeze the assets with no prior notification. Up to 2008 the GOU had frozen assets for \$20 million. Seventeen of the \$20 million dollars were frozen just in 2009. Some major cases, involving a Russian church and Brazilian and Greek citizens, are related to requests from abroad.

20. Under Law 17.835, all obligated entities must implement anti-money laundering policies, such as thoroughly identifying customers, recording transactions more than \$10,000 in internal databases, and reporting suspicious transactions to the UIAF. This obligation extends to all financial intermediaries, including banks, currency exchange houses, stockbrokers, insurance companies, casinos, art dealers, and real estate and fiduciary companies. Law 18.494 obliges ten new types of individuals or enterprises to report unusual or suspicious transactions. New obligated subjects include: i) businesses that render services of lease and

safekeeping of safe deposit boxes, transportation of assets and transfer or sending of funds; ii) professional trust managers, iii) persons natural or judicial who, from Uruguay, professionally provide advisory services in the areas of investment, placement and other financial transactions to clients; iv) casinos; v) real estate brokers other intermediaries in transactions involving real estate; vi) notaries, when carrying out certain operations for their clients; vii) auctioneers; viii) natural or juridical persons dedicated to the purchase and sale of antiques, works of art and precious metals or stones; ix) free trade zones operators; x) and natural or judicial persons who carry out transactions or administer corporations on behalf of third parties.

21. Law 17.835 and Law 18.494 extended reporting requirements to all persons entering or exiting Uruguay with more than \$10,000 in cash or in monetary instruments. This measure has resulted in the detection of over \$ 2.0 million in about 25 undeclared cross-border movements since the declaration requirement entered into force in

December 2006. In 2009, the GOU detected three undeclared operations for over \$300,000. Since all movements were detected at one single customs office, and given Uruguay's porous borders, the GOU suspects that many more movements are passing undetected. Law 18.494 raised the maximum fine on undeclared funds from 30 percent to 100 percent of undeclared funds. Under the new law competent authorities can determine precautionary measures to ensure that the State collects the fine, as well as seize the undeclared assets when there is a well founded suspicion that they derive from a preceding crime (even if such crime was committed abroad). To get them back, the asset holder has to prove the legal origin of his assets.

¶22. Lawyers, accountants, and other nonbanking professionals that habitually carry out financial transactions or manage commercial companies on behalf of third parties are also required to identify customers whose transactions exceed \$15,000 and report suspicious activities of any amount.

¶23. Implementing regulations have been issued by the Central Bank for all entities it supervises (banks, currency exchange houses, stockbrokers, and insurance companies), and are being issued by the Ministry of Economy and Finance for all other reporting entities. On November 26, 2007, the Central Bank issued Circular 1.978, which requires financial intermediary institutions, exchange houses, credit administration companies and correspondent financial institutions to implement detailed anti-money laundering and counterterrorist financing policies. This circular mandates financial intermediaries to report conversion of foreign exchange or precious metals over \$10,000 into bank checks, deposits or other liquid instruments; conversion of foreign exchange or precious metals over \$10,000 into cash; cash withdrawals over \$10,000; and wire transfers over \$ 1,000. As of November 2008, the Central Bank's Capital Market Division is considering requesting reports of transactions with securities over \$10,000. Circular 1.978 requires these institutions to pay special attention to business with PEPs; persons, companies, and financial institutions from countries that are not members of the Financial Action Task Force (FATF) or a FATF-style regional body; and persons, companies, and financial institutions from countries that are subject to FATF special measures for failure to comply with the FATF Recommendations.

¶24. Obligated entities are mandated to know their customers on a permanent basis, keep adequate records and report suspicious activities to the UIAF. Compliance by reporting entities increased from 94 SARs in all of 2006 to 174 SARs in 2009. SARs are largely concentrated within the financial system. While in 2009 banks and exchange houses accounted for 60 percent and 19 percent of total reports, there has been a gradual increase in SARs from other institutions, including capital market agents and firms that wire funds. Other obligated entities, like off shore banks casinos or real estate agents, have issued few SARs. Eight cases stemming from SARs were sent to the Judiciary in 2009. Four cases stemming from SARs have ended in prosecutions in recent years. The recent high profile money laundering cases have provided a boost to the money laundering issue and the Central Bank's efforts.

¶25. As stated above, Law 18.494 from 2009 incorporates or provides for more detailed regulation of new investigative techniques --controlled delivery, electronic surveillance, the collaborator and the undercover agent-- and a witness protection program.

¶26. On controlled delivery, the 2009 law provides that during the investigation of an offense and at the request of the prosecutor a criminal judge can authorize: i) the circulation of prohibited substances or any other goods that may be the object of a crime, ii) the use of all available technological means to facilitate the elucidation of the case.

¶27. The law also provides that at any stage of the criminal proceedings, the prosecutor may come to an agreement with a person that has committed organized crime offenses to cut his sentence in half or even not press charges in case the offender: i) reveals the identity of "other perpetrators, co-perpetrators, accomplices or aiders and abettors to the acts under investigation or other connected acts"; ii) "provides sufficient information that would allow for the prosecution of crime syndicates or the definitive resolution of the case or significant progress in the investigation; or iii) provides information that would allow for the seizure of elements that could serve for the commission of crimes, their planning and even recuperation of proceedings of crimes.

¶28. At the request of the prosecutor, courts may authorize public officials to act under an assumed identity and to acquire and transport objects, effects and instruments linked with criminal activity and to defer seizure of the same. The information gathered by the undercover agent must be submitted to those who authorized the investigation at the earliest convenience.

¶29. Witnesses, victims when acting as such, experts and collaborators, may be subject to protective measures when there is a well-founded suspicion that their lives or physical integrity as well as that of their families are at great risk. Protective measures include: i) physical protection of these individuals by the police; ii) mechanisms to impede their visual identification by third parties unconnected to the process when they have to appear at any proceeding for gathering of evidence; iii) being summoned in a confidential manner; iv) possibility to take depositions by audiovisual means or other technologies; v) prohibition of registration and disclosure of their images by private parties and the media; vi) relocation under a new identity; vii) total or partial prohibition against revealing information concerning their identity or whereabouts; viii) and economic assistance in cases of relocation. Decree 499/09 (passed July 1, 2009) incorporates GOU officials fighting Money Laundering and Drug Trafficking into the witness protection program.

¶30. The GOU states that safeguarding the financial sector from money laundering is a priority, and Uruguay remains active in international anti-money laundering efforts. Uruguay is a party to the 1988 UN Drug Convention, the UN Convention for the Suppression of the Financing of Terrorism, the UN Convention against Transnational Organized Crime, and the UN Convention against Corruption. The GOU is also a member of the OAS Inter-American Drug Abuse Control Commission (CICAD) Experts Group to Control Money Laundering. Uruguay and the United States are parties to a mutual legal assistance treaty that entered into force in 1994. Uruguay is also a founding member of the Financial Action Task Force for South America (GAFISUD). Since early 2005, the former director of the GOU's Center for Training on Money Laundering Issues (CECPLA) has served as GAFISUD Executive Secretary, and has offered the services of Uruguay's anti-money laundering training center to GAFISUD.

¶31. The GOU has taken significant steps over the past few years to strengthen its anti-money laundering and counterterrorist financing regime. Law 18.494 significantly improved the regime by incorporating new money laundering predicate offenses, requiring new types of financial and non-financial entities supervised by the UIAF and the AIN to report suspicious transactions, and providing for new investigation techniques (such as undercover and collaborator agents), a new witness protection program, and new measures to facilitate and speed up the seizure of assets.

¶32. Also in 2009, the UIAF submitted its application for Egmont

Group membership sponsored by Brazil. The GOU is confident that Egmont will approve its membership in its 2010 plenary. Gaining membership in the Egmont Group would enable the UIAF to share financial information with other FIUs globally. In fact, the GOU waited for the passage of Law 18.494 before submitting its application to Egmont since it enables de UIAF to exchange information to fight terrorism financing, which had been involuntarily left out of previous provisions. Under the new law, the UIAF may exchange information relevant to the investigation of the criminal offenses of money laundering and financing of terrorism with its counterparts of other States.

¶33. The Government of Uruguay (GOU) acknowledges that there is also a risk of money laundering in the real estate sector, in free zones, and in bureaus that create or administer corporations. To this extent it is working to address these vulnerabilities by developing new regulations on these sectors, which is expected to be in place in the first half of 2010. The GOU also acknowledges there is a risk of money laundering in the sports sector but is addressing the risk mainly through its participation in the FTAF, which started working on the issue in mid-2009. To continue its recent progress, Uruguay should continue the implementation and enforcement of recently enacted legislation. Gaining membership in the Egmont Group would enable the UIAF to share financial information with other FIUs globally.

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